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C. KENT HATFIELD
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June 8, 2004

RECEIVED

JUN 8 2004

PUBLIC SERVICE
COMMISSION

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40601

Re: *Petition by AT&T Communications of the South Central States, LLC. and TCG Ohio for Arbitration of the Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to 47 U.S.C. Section 252*

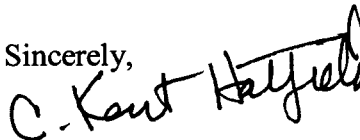
Dear Ms. O'Donnell:

Enclosed please find the original and ten (10) copies of AT&T Communications of the South Central States, LLC and TCG Ohio, Inc.'s Petition for Arbitration with BellSouth Telecommunications Inc.

In order to meet the filing requirements pursuant to Section 252 of the Federal Act it was necessary that AT&T file these Arbitration petitions in four separate states simultaneously. AT&T and BellSouth have agreed to work cooperatively to develop a proposed schedule for each state that will minimize scheduling conflicts and will be providing that proposal to the Commission within seven business days. Please indicate receipt of this filing by your office by placing a file stamp on the extra copy and returning to me via our runner.

If you have questions, please let me know.

Sincerely,



C. Kent Hatfield
Counsel For AT&T Communications of the
South Central States, LLC, And TCG Ohio, Inc.

CKH:jms

Cc: Dorothy J. Chambers, Esquire

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

RECEIVED

JUN 8 2004

PUBLIC SERVICE
COMMISSION

In the Matter of:)
Petition by AT&T Communications of the)
South Central States, LLC and TCG Ohio, Inc.) Case No. _____
for Arbitration of Certain Terms)
and Conditions of a Proposed)
Interconnection Agreement with)
BellSouth Telecommunications, Inc.)
Pursuant to 47 U.S.C. Section 252)
_____)

**PETITION BY AT&T AND TCG FOR ARBITRATION
WITH BELL SOUTH TELECOMMUNICATIONS, INC.**

Pursuant to Section 252(b)(1) of the Federal Telecommunications Act of 1996 (the "Act"), AT&T Communications of the South Central States, LLC ("AT&T") and TCG Ohio, Inc. ("TCG") (collectively "AT&T") petition the Kentucky Public Service Commission ("Commission") to arbitrate unresolved issues resulting from the interconnection agreement negotiations between AT&T and BellSouth Telecommunications, Inc. ("BellSouth"). Specifically, AT&T requests that the Commission resolve each of the unresolved issues by ordering AT&T and BellSouth (the "Parties") to incorporate AT&T's position in the interconnection agreement ("ICA") that is ultimately executed by the Parties.

In support of its Petition, AT&T respectfully shows as follows:

1. This Petition includes the Parties' list of unresolved issues, set out in a Joint Issue Matrix (Attachment A) showing AT&T's position on those issues. BellSouth will file, with its response to this Petition, the BellSouth position on the issues in the Joint Issue Matrix and a copy of the proposed ICA between the Parties, including the suggested language of AT&T and the suggested language of BellSouth on the disputed issues.

PARTIES

2. AT&T is a Delaware corporation and is authorized to provide local exchange service in the state of Kentucky. AT&T's business address is:

AT&T Communications of the South Central States, LLC
1200 Peachtree Street, N.E.
Atlanta, GA 30309

Copies of pleadings, notices and orders in this docket should be served on:

C. Kent Hatfield
Stoll, Keenon & Park, LLP
2650 Aegon Center
400 West Market Street
Louisville, KY 40202
502-568-9100

Martha Ross-Bain
AT&T
1200 Peachtree Street
Suite 8100
Atlanta, GA 30309
404-810-6713

3. AT&T Corp., the parent corporation of AT&T Communications of the South Central States, LLC, acquired Teleport Communications Group, Inc., the parent company of TCG Ohio, effective July 23, 1998. TCG Ohio is authorized to provide local exchange service in the state of Kentucky.

4. BellSouth is a corporation organized and formed under the laws of the State of Georgia, having an office at 675 West Peachtree Street, Atlanta, Georgia 30375. BellSouth provides local exchange and other services within its franchised areas in Kentucky. BellSouth is

a "Bell operating company" ("BOC") and an "incumbent local exchange carrier" ("ILEC") under the terms of the Telecommunications Act of 1996 (the "Act").¹

JURISDICTION

5. The Commission has jurisdiction over AT&T's Petition pursuant to Section 252(b)(1) of the Act. 47 U.S.C. § 252(b)(1). Under the Act, parties to a negotiation for interconnection, access to unbundled network elements ("UNEs"), or resale of services within a particular state have a right to petition the state commission for arbitration of any open issues when negotiations between them fail to yield an agreement. 47 U.S.C. § 252(b). Under Section 252(b)(1), the request for arbitration by the state commission may be made at any time during the period from the 135th to the 160th day (inclusive) after the date on which the ILEC receives a request for negotiations under Section 251 of the Act. The non-petitioning party may respond to the petition within 25 days after the state commission receives the petition. 47 U.S.C. § 252(b)(3). The open issues must be resolved no later than nine months after the request for negotiations. 47 U.S.C. §252(b)(4)(C).

STANDARD OF REVIEW

6. This arbitration must be resolved by the standards established in 47 U.S.C. §§ Sections 251 and 252 and the rules adopted by the FCC. Section 252(c) requires a state commission resolving open issues through arbitration to:

- (1) ensure that such resolution and conditions meet the requirements of section 251 of this title, including the regulations prescribed by the [FCC] pursuant to section 251 of this title; [and]

¹ 47 U.S.C. §§ 153(35), 251(h).

- (2) establish any rates for interconnection, services, or network elements according to subsection (d) of this section ...

The Commission is required to make an affirmative determination that the rates, terms and conditions that it prescribes in the arbitration proceeding for interconnection are consistent with the requirements of 47 U.S.C. §§ 251(b)-(c) and 252(d).

7. The Commission may also, under its own state law authority, impose additional requirements pursuant to Section 252(e)(3) of the Act, as long as such requirements are consistent with the Act and the FCC's regulations. 47 U.S.C. § 252(e).

NEGOTIATIONS AND BACKGROUND

8. The current Interconnection Agreement ("ICA") between AT&T and BellSouth was approved by the Commission in Case No. 2000-465 by its Order issued on August 13, 2001, with the underlying ICA effective on July 20, 2001. Pursuant to the term provisions of the ICA, the ICA "expires" on July 19, 2004.

9. Pursuant to agreement of the Parties, AT&T properly noticed BellSouth of a request for negotiation of successor ICAs under the existing ICA and Sections 251 and 252 of the Act on January 2, 2004. Under Section 252(b)(1) of the Act, the Parties have from the 135th through the 160th day (inclusive) after receipt of a request for negotiations to file for arbitration of unresolved interconnection issues.

10. The Parties have negotiated diligently and in good faith throughout the negotiation period and it is AT&T's intent to continue to do so. Proposed contract language has been exchanged and discussed and good faith negotiations have taken place with respect to all disputed attachments or appendices, agreed or disputed that are necessary to complete a new

agreement. The Parties have also discussed and agreed on the framing of issue statements for inclusion within a Joint Issues Matrix.

ISSUES TO BE ARBITRATED

11. AT&T and BellSouth have reached agreement on a substantial number of issues during the course of negotiations. Those agreements are reflected in the Proposed Interconnection Agreement to be filed by BellSouth. However, other issues remain open and unresolved. Those unresolved issues are set forth in the Joint Issues Matrix, Attachment A to this Petition. Attachment A states each unresolved issue, assigns the issue a number, and summarizes AT&T's position on the issue.

12. This is the first arbitration between BellSouth and AT&T after BellSouth has been granted section 271 authority to enter long distance in Kentucky. Moreover, the current status of *USTA II* -- whether sections of the Triennial Review Order ("TRO") will be vacated and the outcome of a final decision in the case -- introduces some uncertainty with regard to the applicable federal law. In this landscape, this Commission has the opportunity to ensure local competition in the State of Kentucky by carefully reviewing the issues presented, determining BellSouth's obligations under both the Telecommunications Act and state law, and approving an appropriate and fair ICA. This ICA will be the operative document in the coming years and can assure that the Parties, and others in the industry, remain on the path toward full and fair telephone competition in Kentucky.

13. The issues raised in this Petition fall into four general categories. One group of issues concerns BellSouth's overall obligations under the Telecommunications Act and state law. A second group of issues relate to BellSouth's obligations to provide unbundled local loops. A third group of issues relates to items, services or rights under the ICA that BellSouth has refused

to provide. AT&T requests an order that BellSouth is required to provide these items, services and rights, and a determination of the appropriate charges and fees for doing so. The final group of issues relates to standards and costs for collocation and whether those issues should be determined in this proceeding or in a generic docket.

14. The first group of issues revolves around the TRO and the D.C. Circuit's decision in *USTA II*. BellSouth would have this Commission predict the final outcome of *USTA II*, assume certain provisions of the TRO will be vacated, and severely curtail its obligation to provide access to unbundled network elements and other services. (See Issues 1 - 4.) AT&T, in contrast, asks this Commission to determine BellSouth's obligations under existing law, including sections 251 and 271 of the Telecommunications Act and state law, and to incorporate those obligations into an ICA under section 252 of the Telecommunications Act.

15. The second group of issues relates to BellSouth's obligation to provide unbundled local loops. There can be no question that BellSouth is required to do so. Nonetheless, BellSouth has refused to provide certain lengths of loops, refused to provide line conditioning on certain loops and, in many instances, attempted to impose unreasonable requirements and charges on AT&T when it seeks unbundled local loops. (See Issues 6 - 13.) Similarly, even though BellSouth is attempting to avoid providing local switching, it was unwilling to agree to specific language setting out the process by which unbundled local loops would be moved from BellSouth's switch to AT&T's switch so that AT&T can provide service using unbundled local loops and its own switch. (See Issue 5.) AT&T's language with regard to all of these issues should be adopted.

16. The third group of issues relates to AT&T's rights under the ICA or services AT&T has requested that BellSouth provide. For example, AT&T seeks audit rights, the ability

to do its own "Make-Ready" work when BellSouth is delayed in doing so, and expedited service at an appropriate charge. (See Issues 14 - 16.) Also included in this group of issues are disputes relating to the appropriate charges, fees and billing arrangements for certain services. (See Issues 17 - 30.) Here too, AT&T's proposed language should be adopted.

17. The final issue relates to collocation. (See Issue 29.) Appropriate collocation requirements and charges are critical to competition. The questions raised relate to what rights exist under current rules for collocation and whether any changes to those rules should be determined in this docket or in a generic collocation docket in which any interested industry entity could participate.

18. This arbitration raises issues that are critical to AT&T's ability to compete in Kentucky. Since being granted section 271 authority for Kentucky, BellSouth has taken every opportunity to limit what unbundled network elements and services it will provide to competitive carriers and to increase the prices at which it will provide them. In considering this Petition, this Commission has the ability to determine BellSouth's obligations under the Telecommunications Act and state law and to require an ICA that will ensure the growth of competition in Kentucky.

REQUESTED RELIEF

WHEREFORE, AT&T prays that the Commission:

(1) Issue a procedural order to establish a schedule for all forms of discovery (depositions, interrogatories, data requests, and requests for admission), rebuttal testimony, prehearing conference, hearing and post hearing briefs;

(2) Arbitrate the unresolved issues identified in this Petition and its Attachment in accordance with Section 251 and 252 of the Federal Telecommunications Act;

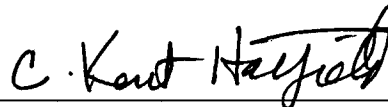
(3) In such Arbitration, adopt the positions of AT&T as set forth in Attachment A, and require the Parties to enter into an ICA that includes all the terms agreed to during negotiations and, on all disputed points, adopt the specific terms and contract language proposed by AT&T, which are identified in the Proposed Interconnection Agreement to be filed by BellSouth;

(4) Order the Parties to file on a date certain an Interconnection Agreement between AT&T and BellSouth, incorporating the Commission's decision as described above, for approval by the Commission pursuant to Section 252(c) of the Act, and retain jurisdiction of this arbitration until the Parties have submitted such Interconnection Agreement for approval; and

(5) Grant such other and further relief as the Commission deems appropriate.

Respectfully submitted this the 8th day of June, 2004.

ATTORNEYS FOR AT&T COMMUNICATIONS
OF THE SOUTH CENTRAL STATES, LLC, AND
TCG OHIO, INC.

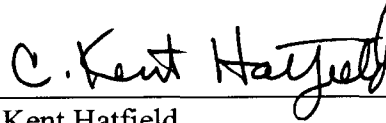


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AT&T
1200 Peachtree Street
Suite 8100
Atlanta, GA 30309
404-810-6713

CERTIFICATE OF SERVICE

A copy of the foregoing Petition was served this 8th day of June, 2004, first class, United States mail, postage prepaid, upon Honorable Dorothy J. Chambers, General Counsel/Kentucky, BellSouth Telecommunications, Inc., 601 West Chestnut Street, Room 410, P. O. Box 32410 Louisville, KY 40232

A handwritten signature in black ink, reading "C. Kent Hatfield", written over a horizontal line.

C. Kent Hatfield

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COMMISSION

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40601

Re: *Petition by AT&T Communications of the South Central States, LLC. and TCG Ohio for Arbitration of the Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to 47 U.S.C. Section 252*

Dear Ms. O'Donnell:

AT&T Communications of the South Central States, LLC ("AT&T") and TCG Ohio, Inc. ("TCG") (collectively "AT&T") filed with the Commission yesterday their Petition for Arbitration of unresolved issues resulting from the interconnection agreement negotiations between AT&T and BellSouth Telecommunications, Inc. The Petition references a Joint Issue Matrix as Attachment A. It has come to my attention that Attachment A was inadvertently omitted from the copy filed yesterday. Enclosed are an original and ten (10) copies of Attachment A which should be attached to the Petition. We regret any inconvenience to the Commission or parties caused by this document assembly oversight. Thank you for your assistance in this matter.

Sincerely,



C. Kent Hatfield
Counsel For AT&T Communications of the
South Central States, LLC, And TCG Ohio, Inc.

CKH:jms

Enc.

Cc: Dorothy J. Chambers, Esquire w/e nc
Martha Ross-Bain, Esquire w/e nc

RECEIVED

JUN 9 2004

PUBLIC SERVICE
COMMISSION

ATTACHMENT "A"
AT&T / BELL SOUTH JOINT ISSUES MATRIX
DOCKET NO. _____

ISSUE NO.	ISSUE DESCRIPTION	AT&T'S POSITION	BELL SOUTH'S POSITION
1	<p>Is it appropriate to include in the Interconnection Agreement ("ICA") rates, terms and conditions for services BST agrees to provide or is required to provide under authority other than Section 251 of the Act?</p> <p>(GTC § 1.1 and Attachment 2-UNE, §§ 1.2, 3.2.1.1, 5.1.3.6, 5.1.3.7, 5.1.3.8, 5.3.4, 6.2.6, 7.1, 7.2 and OS/DA language-Section 4.10.1.4)</p>	<p>Yes. The ICA should include rates, terms and conditions for items BST agrees to provide or is required to provide pursuant to authority other than Section 251 of the Act.</p> <p>Under the plain language of the Act, each section 271 network element must be offered through interconnection agreements that are subject to the section 252 review process.</p> <p>Likewise, the ICA should reflect state law requirements. This Commission has the authority under state law to order unbundling consistent with the Act. Indeed, the Act explicitly safeguarded this authority. <i>See</i> 47 U.S.C. §§ 251(d)(3), 252(e)(3), 261(c). Accordingly, both section 271 requirements and state law requirements may be included, and should be included, in an ICA approved under section 252 of the Act.</p>	
2	What unbundled network elements and	Consistent with the TRO and well-	

ISSUE NO.	ISSUE DESCRIPTION	AT&T'S POSITION	BELL SOUTH'S POSITION
	<p>combinations of unbundled network elements is BellSouth required to provide and at what rates, terms and conditions?</p> <p>(Attachment 2-UNE, §§ 1.7-1.7.5.3, 5.2.6 and 5.3.2)</p>	<p>established precedent, BST should allow AT&T to combine any UNE with any other network element, service or functionality, without restriction. The FCC held, as early as 1996, that "incumbent LECs must provide access to 'unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide' a telecommunications service." First Report and Order, <i>Implementation of the Local Competition Provisions in the Telecommunications Act of 1996</i>, CC Docket No. 96-98 (released Aug. 8, 1996) ("Local Competition Order"). In the TRO the FCC stated it intention to "reaffirm" the "existing rules regarding UNE combinations . . . [which] require incumbent LECs to provide UNE combinations upon request and prohibit incumbent LECs from separating UNE combinations that are ordinarily combined except upon request." TRO ¶ 573. Thus, the Local Competition Order and the TRO unambiguously support the adoption of AT&T's proposed language. BST's reluctance to agree to language set out by the FCC reveals BST's intent to limit AT&T's use of UNEs.</p>	

ISSUE NO.	ISSUE DESCRIPTION	AT&T'S POSITION	BELL SOUTH'S POSITION
		<p>BST appears to be taking the position that it does not have to provide unbundled local switching if the <i>USTA II</i> vacatur stands. This is simply untrue. Even without the Section 251 implementing regulations, BST is still required to provide unbundled local switching under: (1) Section 251 of the Act itself, which requires BST to provide unbundled switching even without the rules implementing it; (2) Section 271 of the Act; and (3) state law. Therefore, BST must provide both and combinations including switching and unbundled local switching unless and until the state commission determines otherwise.</p>	
3	<p>Under what circumstances, if any, can AT&T commingle section 251 Network Elements and Other Services with facilities and services BST otherwise provides or is required to provide?</p> <p>(Attachment 2-UNE, §§ 1.7, 1.8.5, 1.9.1.1, 1.9.1.2, 1.9.2 and 1.9.4)</p>	<p>So long as the requesting carrier certifies that it has met certain eligibility criteria, the TRO permits commingling section 251 Network Elements and Other Services with other facilities and services BST provides. See TRO ¶ 579. In accordance with the TRO, AT&T proposes removing restrictions on commingling. BellSouth has removed such restrictions in recent SGAT filings in Georgia and Alabama.</p>	

ISSUE NO.	ISSUE DESCRIPTION	AT&T'S POSITION	BELL SOUTH'S POSITION
		<p>Prior to the issuance of the TRO, the FCC placed certain restrictions on when competitive carriers could commingle "loops or loop-transport combinations with tariffed special access services." <i>Supplemental Order Clarification, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996</i>, ¶ 22 (2000). These combinations of loop-transport are also referred to as Enhanced Extended Links or "EELs." The TRO eliminated the restrictions on EELS and modified the rules to "affirmatively permit requesting carriers to commingle UNEs and combinations of UNEs with services (e.g. switched and special access services offered pursuant to tariff), and to require incumbent LECs to perform the necessary functions to effectuate such commingling upon request." TRO ¶579. Under the TRO, commingling and conversion must be permitted by BST upon the TRO's effective date. TRO ¶ 575; Rule 51.318.</p> <p>In accordance with the TRO, AT&T proposes including in the ICA that (1) as of the effective date of the TRO, BST is required to provide commingling and conversions</p>	

ISSUE NO.	ISSUE DESCRIPTION	AT&T'S POSITION	BELL SOUTH'S POSITION
		<p>unencumbered by additional processes or requirements (e.g., requests for unessential information) not specified in the TRO (TRO ¶ 579); (2) AT&T is required to self-certify its compliance with any applicable eligibility criteria for high capacity EELS (and may do so by written or electronic request) and to permit an annual audit by BST to confirm its compliance (TRO ¶¶ 623-24); (3) BST's performance in connection with commingled facilities must be subject to the interconnection agreement's standard provisioning intervals and performance measures (TRO ¶ 639); and (4) there will be no charges for conversion from wholesale to UNEs or UNE combinations. (TRO ¶ 587, Rule 51.316 (c)).</p>	
4	<p>What language, including specific, language dealing with any required transition of existing Network Elements and Other Services, should be included in the ICA to address (a) the possibility that existing FCC Rules and Orders may be vacated by <i>USTA II</i>; and (b) those portions of the TRO and other FCC rules and orders that may be unaffected by a final decision in <i>USTA II</i>?</p>	<p>The ICA should not address the potential outcomes of <i>USTA II</i>. Rather, until such time as <i>USTA II</i> is finally resolved, the state commissions should decide whether existing Network Elements and Other Services should be de-listed or re-defined, and the transition period for such changes, in future state proceedings. AT&T's proposed language tracks FCC Rule 51.309(a) and simply states that in the</p>	

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	(Attachment 2-UNE, §§ 1.6, 1.8, 4.2.2, 4.2.3 and 4.2.4)	<p>event there are further findings of impairment or non-impairment by the FCC or the Commission within the ongoing TRO impairment proceedings, parties to the ICA should rely on the change of law provisions in those ICAs to make any necessary changes. This is also consistent with the TRO, which requires the parties to follow the Section 252 process to implement the TRO's changes. TRO 701.</p> <p>BST's proposed language is inconsistent with the TRO. BST suggests that if the Rules are vacated and AT&T does not "within 16 days" choose an alternate method of transition of services, i.e., commercial agreement or tariffed service, BST "may disconnect" AT&T's UNE customers "without further notice." Such a drastic "threat" is inconsistent with the TRO, which unambiguously calls for a transition period. Moreover, BellSouth's proposed language would impose significant non-recurring charges that are inconsistent with the TRO.</p> <p>Moreover, there are portions of the TRO that were unaffected by the D.C.</p>	

ISSUE NO.	ISSUE DESCRIPTION	AT&T'S POSITION	BELL SOUTH'S POSITION
		<p>Circuit's decision in <i>USTA II</i>. The ICA should be consistent with these provisions. For example, there can be no question that BST is required to provide access to unbundled local loops. Accordingly, appropriate parameters for hot cuts must be established. <i>See</i> Issue 26. Moreover, this Commission must determine BellSouth's obligations to provide local switching in density zone 1 of the top 50 MSA's as of January 1, 1999, for customers with four or more DSO equivalent lines. <i>See</i> Issue 24.</p> <p>Finally, the TRO eliminated restrictions on EEL's. Accordingly, this Commission also must determine BellSouth's obligations to provide EEL's.</p>	
5	<p>What language, if any, should be in the ICA to address Provisioning and Coordinated Cut-Overs ("Hot Cuts")? (Attachment 2-UNE, § after 2.3.13)</p>	<p>AT&T seeks to retain in the proposed ICA, the existing language between the Parties for "hot cuts." There can be no question BellSouth is required to provide non-discriminatory access to unbundled local loops. In order to transition a loop from a BellSouth switch to AT&T's switch, a hot cut is required.</p>	

ISSUE NO.	ISSUE DESCRIPTION	AT&T'S POSITION	BELL SOUTH'S POSITION
		<p>A hot cut is a complex, highly manual process. If not performed properly, the customer will experience a service outage that is much longer than the unavoidable outage. Accordingly, the ICA must address the hot cut process.</p> <p>Moreover, the TRO requires, in provisions not impacted by the decision in <i>USTA II</i>, development of a batch hot cut process. BST's proposed language is inconsistent with the "batch order process" as outlined in the TRO. The TRO states that the Commission "should decide the appropriate volume of loops that should be included in the 'batch.'" TRO 489. The Commission should also "approve specific processes to be employed when performing a batch cut." Id. Furthermore, the Commission should "evaluate whether the incumbent LEC is capable of migrating batch cutovers of unbundled loops combined with unbundled local circuit switching to unbundled stand-alone loops for any requesting carrier in a timely manner." Id. Finally, "if they have not done so already, state commissions should adopt TELRIC rates for the batch cut activities they approve. These rates should reflect the</p>	

ISSUE NO.	ISSUE DESCRIPTION	AT&T'S POSITION	BELLSOUTH'S POSITION
		efficiencies associated with batched migration of loops to a competitive LEC's switch, either through a reduced per-line rate or through volume discounts." <i>Id.</i>	
6	Is BellSouth obligated to unbundle loops that are longer than 18,000 feet from BellSouth's serving wire center? (Attachment 2-UNE, § 2.4.2.5)	Yes. BellSouth is obligated to provide unbundled access to all loops. Under 47 CFR 51.309(a), BellSouth is prohibited from imposing "limitations, restrictions, or requirements on requests for, or the use of unbundled local network elements for a service the requesting telecommunications carrier seeks to offer." Therefore, BellSouth is obligated to provide non-discriminatory access to all loops, irrespective of length.	
7	Is BellSouth required to provide line conditioning on copper loops longer than 18,000 ft? If so, at what rates, and upon what terms and conditions? (Attachment 2-UNE, §§ 2.4.2.5 and 2.5.2)	Yes. The TRO establishes provisions for BST to offer unbundled access to stand alone copper loops and subloops for the purposes of narrowband and broadband services. Narrowband services support the low grade frequency portion of the loop and broadband services supports the high frequency portion of the loop. <i>Paragraph 249</i> of the TRO requires BellSouth to provide "all local loops comprised of copper cable, including	

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		<p>two- and four-wire analog voice-grade loops, digital loops (<i>e.g.</i>, DSOs and ISDN lines) and two- and four-wire loops conditioned to transmit the digital signals needed to provide xDSL service."</p> <p>BellSouth seeks to limit the TRO's broad directive by imposing restrictions on what "<i>length</i>" of unbundled copper loops AT&T may access. Significantly, however, the TRO does not draw any distinctions between <i>short</i>, <i>medium</i> or <i>long</i> copper loops; therefore, BST's length-based proposed restrictions on access to copper loops are inappropriate.</p> <p>In addition, FCC Rule 51.319(a) (1) (iii) states "Line conditioning is defined as the removal from a copper loop or copper sub-loop of any device that could diminish the capability of the loop or sub-loop to deliver high-speed switched wireline telecommunications capability, including digital subscriber line service. Such devices include, but are not limited to, bridge taps, load coils, low pass filters, and range extenders." Consistent with this FCC</p>	

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		<p>rule, AT&T submits that it is entitled to removal of all bridge taps that could diminish the capability of the loop to provide high-speed service. Nothing in the FCC definition suggests that there is a limit to the length of the loops on which AT&T can seek the removal of bridge taps. BST's threshold seeks to arbitrarily impose a standard on AT&T inconsistent with the FCC's rules.</p>	
8	<p>Is BellSouth required to remove bridged tap on copper loops that are between 0 and 2,500 feet in length? If so, at what rates, terms and conditions?</p> <p>(Attachment 2-UNE, § 2.5.4)</p>	<p>Yes. In accordance with the FCC's definition in 47 CFR 51.319 (a)(1)(iii)(a), BellSouth has an affirmative obligation to remove all bridge taps that could diminish the capability of the loop to provide high-speed service. The obligation is not dependent on the length of the loop.</p> <p>The rates BellSouth may charge for bridged tap removal are contingent on whether the specific line conditioning activity is a routine network modification, as defined by the FCC in 47 CFR 51.319(a)(8). UNE prices already take into account costs associated with routine network maintenance. Moreover, 47 CFR 51.319(a)(8) requires ILECs to</p>	

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		<p>complete routine network modifications for AT&T and other CLECs in a non-discriminatory manner. Accordingly, BellSouth is not allowed to charge AT&T for routine network modifications where it does not charge its own end users for these activities. BellSouth may charge only if the activity constitutes work beyond what BellSouth regularly takes on for its own customers.</p> <p>Finally, BellSouth should be precluded from imposing on AT&T any line conditioning costs unless BellSouth provides timely and accurate information as part of the loop qualification processes that precede any requested provisioning activities. Hence, if the Commission determines that a loop-conditioning rate is appropriate (<i>i.e.</i>, should be set at anything but zero), such a rate should only be applicable when BellSouth provides AT&T with mechanized or, if requested, manual loop make-up information that puts AT&T on notice that the "inhibiting" condition exists. If, on the other hand, loop make-up information provided by BellSouth to AT&T does not identify the existence</p>	

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		of inhibitor on the loop, costs associated with such bridged tap removal should be deemed to be BellSouth-caused maintenance to bring the loop in conformance with characteristics on which AT&T relied.	
9	Is line conditioning limited to a Routine Network Modification that BST regularly undertakes to provide xDSL services to BST's own customers? (Attachment § 2-UNE, 2.5.1)	No. BellSouth proposes to define Line Conditioning as "routine network modifications that BellSouth regularly undertakes to provide xDSL services to its own customers." AT&T, in contrast, relies on the FCC's definition of line conditioning in Rule 51.319(a)(1)(iii) which is not limited to activities BellSouth may perform for its own customers.	
10	What is the appropriate threshold for the application of Project Management requirements for the provisioning of loops? (Attachment 2-UNE, § 2.1.3)	AT&T submits that <i>all</i> AT&T loop orders submitted to BellSouth, not just orders of 15 lines or less, should be provisioned under normal provisioning intervals, as outlined in BellSouth Products and Services Interval guide, as opposed to costly and time-consuming negotiations pursuant to BellSouth's Project Management process. There is no acceptable business justification for deviation from standard processes. As a carrier operating in the highly-competitive telecommunications	

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		market, AT&T has varying service order commitment obligations to its customers that in many cases require unique provisioning, including provisioning of more than 15 lines in a day or at specified time frames by the customer. In addition, BellSouth's proposed language also would impose on AT&T unnecessary extra "fees and costs" associated with the "Project Management" of 15 or more lines.	
11	What are BST's obligation relating to the retirement of existing copper loops? (Attachment 2-UNE, § 2.1.1.3)	AT&T has proposed inclusion of language in the ICA that provides for an orderly implementation by BellSouth of any process for retirement of existing copper feeder network facilities, consistent with BellSouth's legal obligations to allow AT&T and other CLECs to utilize the high-capacity portion of such facilities in the provision of xDSL and other broadband services. AT&T's proposal sets forth specific timeframes for BellSouth to notify AT&T of any planned retirement activities, establishes a framework for the parties to develop alternatives to ensure that existing AT&T customers are not negatively affected by BellSouth's action, and provides for state Commission approval of	

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		<p>BellSouth's planned modifications. AT&T's proposed language acknowledges that as part of the copper retirement process, BellSouth is required to comply with all applicable regulations and state Commission authority regarding facility abandonment and withdrawal of service, as well as any applicable state "public interest" statutes governing its service offerings. BellSouth's proposal, on the other hand, would limit its obligations exclusively to those contained in 47 CFR 319(a)(3)(iii).</p>	
12	<p>Should BST be allowed to charge design fees or other NRCs when AT&T orders loops to serve a particular location that BST has chosen to serve via Digital Loop Carrier ("DLC") or Fiber to the Home ("FTTH") architectures?</p> <p>(Attachment 2-UNE, § 2.6.2)</p>	<p>No. AT&T is entitled to unbundled access to loops to provide telecommunications services. Specifically, 47 CFR 51.319(a)(9) states: "An incumbent LEC shall not engineer the transmission capabilities of its network in a manner, or engage in any policy, practice, or procedure, that disrupts or degrades access to a local loop or subloop..." BellSouth's imposition of "Design Fees" for unbundling DLC or FTTH loops wrongfully imposes expenses on AT&T for reconfiguration of the loop back to an all-cooper or other readily-unbundled facility that would not</p>	

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		<p>require incremental work to access.</p> <p>While BellSouth should be encouraged to deploy new technologies to enhance its network, it should not be done in a manner that degrades a CLEC's ability to access existing loops. There is no basis for inappropriately externalizing to its competitors via non-recurring charges (e.g., design fees) costs associated with BellSouth's own capital deployment decisions.</p>	
13	<p>Should AT&T have the right to audit BST's billings to AT&T for services provided pursuant to the ICA, and if so, under what terms and conditions should the audit be conducted?</p> <p>(GTC § 12.1.4 and 12.1.5, Attachment 2-UNE § 5.2.6)</p>	<p>Yes. AT&T proposes retention of existing audits rights language, which provides that AT&T must bear the initial costs of any requested audit, and limits AT&T's ability to recover to circumstances where the audit identifies errors or net variances of over 2% in BellSouth's favor over the target period. For the past seven years, the parties have operated under contractual terms allowing for such audits no more than once each calendar year, absent demonstrated errors in the billing process. To AT&T's knowledge, this process has been acceptable to both parties, with no recorded disputes to date regarding the frequency, nature or length of any audit requested by AT&T. This provision reflects</p>	

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		reasonable commercial practice and sound public policy.	
14	<p>Under what circumstances will AT&T be allowed to move or rearrange BST's facilities while AT&T is performing "Make-Ready" work?</p> <p>(Attachment 8-Right of Way, §§ 6.3 and 13.1.1)</p>	<p>AT&T should be permitted to perform its own Make-Ready work in those limited instances in which BST indicates that it cannot perform the work in time to meet AT&T's requested due date, or within a reasonable timeframe. AT&T should be granted the right to accomplish such Make-Ready work even where the Make-Ready work involves moving, changing, altering or otherwise affecting BST owned facilities. AT&T will arrange for the performance of such work by contractors having similar skills and training as BST's employees who would otherwise perform the work.</p> <p>BellSouth attempts to use collective bargaining agreements voluntarily entered into between BST and its unions to deny AT&T the opportunity to perform Make-Ready work. These agreements, however, only govern the relationship between those two parties. Allowing a third party such as AT&T to perform its own Make-Ready work and place its own attachments is not the</p>	

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		<p>same thing as BST performing its own work with non-union labor or contracting out its own work to non-union contractors.</p> <p>BST's attempt to force AT&T to use BST labor to perform Make-Ready work and the placement of attachments that could safely be performed by AT&T's own employees or contractors would impose additional costs on AT&T and create unnecessary delays in AT&T's provisioning of service to its end users.</p>	
15	<p>Is BellSouth required to provide expedites for AT&T service orders? If so, at what rates, and upon what terms and conditions?</p> <p>(Attachment 2-UNE, § 4.3.11 and Exhibit B)</p>	<p>Yes. Since BellSouth manages service installation intervals for its own customers, BellSouth is also obligated to (1) "expedite" a service order upon AT&T's request if feasible, and (2) provide non-discriminatory and cost-based support for its charges for providing this service to AT&T.</p> <p>AT&T submits that only Order Coordination (a rate element already approved by the Commission) is required to coordinate dispatched technicians to perform work on a schedule deviating from standard intervals. Physical installation work activity is already recovered in the non-</p>	

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		recurring loop rate, another Commission-approved rate.	
16	Under what circumstances can BST charge AT&T a secondary service order charge? (GTC § 20.3)	AT&T's proposed language supports its position that BellSouth should not be permitted to impose a non-recurring secondary service charge when AT&T acquires a customer and issues a service order. BellSouth relies upon its General Subscriber Services Tariff ("GSST") for its right to impose this charge. That tariff allows BellSouth to impose a charge on an end user for a "transfer of service" when a new end user willingly assumes "all indebtedness of the previous subscriber and existing financial responsibility for that account..." and there is "no lapse in service." Neither of these criteria are met when a customer moves from BST to AT&T. AT&T does not assume any of the previous indebtedness of its new customer. Moreover, a lapse of service occurs. The Commission should find that when a BST customer moves to AT&T, it is not a "transfer of service" under the GSST. This issue has been previously litigated before the Georgia Public Service Commission in Docket 13014-U. The final Commission order was issued on 4/15/03.	

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17	Under what circumstances, if any, should BST be responsible in a Meet Point Billing ("MPB") situation for payment to AT&T when the originating carrier's Operating Company Number ("OCN") or Carrier Identification Code ("CIC") is not forwarded to AT&T by BST? (Attachment 7-Billing and Recording, § 1.1.5 and 1.3.4)	In order for AT&T to accurately bill originating IXCs and local carriers, BellSouth must provide the CIC or OCN's of the originating carriers. AT&T's systems are only capable of directly billing the originating carrier when BST provides the clear identification of such originating carrier. Absent BST's forwarding of the CIC or OCN of the originating carrier, AT&T should be allowed to bill BST for the unidentified traffic.	
18	For what period can a Party be back-billed for network elements and services provided under this agreement? (Attachment 7-Billing and Recording, § 1.2.3)	AT&T seeks to retain in the proposed ICA, the existing terms between the Parties for back-billing. AT&T believes that the existing one year back-billing period is adequate and incents proper and timely billing. A longer period would undermine the incentive for either Party to initially bill in an accurate and timely manner and may negatively impact either Party's cash flow.	
19	Is BST obligated to split collocation bills to send Non Recurring and Recurring charges to different billing addresses? If so, subject to what rates, terms and conditions?	Yes. AT&T seeks to retain the Parties' current practice to split collocation bills to send Non Recurring and Monthly Recurring charges to different billing addresses. AT&T and BST have been	

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	(Attachment 4-Collocation, §1.9 - 1.9.2)	unable to agree upon the proper application of rates used to compensate BST for performing such service for AT&T. AT&T believes that only when an Initial or Subsequent Application contains new recurring and nonrecurring elements, thereby requiring additional work by BellSouth to format the billing, should appropriate initial or subsequent charges apply.	
20	<p>What rate can BST charge AT&T when BST is required to dispatch a technician to an end user's location more than once due to incomplete or inaccurate information provided by AT&T?</p> <p>(Attachment 2-UNE, §§ 2.1.5.2 and 2.1.6.4)</p>	<p>BST maintains its own loops and equipment and is therefore obligated to maintain the leased UNEs of CLECs. As the commission-approved rates in Exhibit A of the ICA indicate, a cost-based rate for a Maintenance Dispatch is significantly lower than BST's proposed rate.</p> <p>AT&T agrees that Order Coordination is required to coordinate dispatched technicians, and BST's identified incremental travel time (average 20 min.) for a dispatched technician is appropriate. However, since the Installation & Maintenance Technician's actual maintenance work activity is already recovered in recurring loop rates, BST's non-cost based rate is inappropriate.</p>	

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21	<p>When the cost of a Routine Network Modification is not already recovered in the Commission approved Recurring and Nonrecurring charges for the element, can BST require pre-payment of the costs for the Routine Network Modification?</p> <p>(Attachment 2-UNE, §§ 2.3.11, 6.2.8, and 6.4.3)</p>	<p>No. 47 CFR 51.319(a)(8) stipulates that routine network modifications should be completed by BST in a non-discriminatory manner. This means that the rates, terms and conditions applicable to AT&T must be equal to the rates, terms and conditions for routine network modifications performed for BST's retail customers. BST should not be allowed to charge AT&T for routine network modifications where it does not charge its end users for these routine network modifications. Further, if BST does not require prepayment from its retail customers, then BST should not require prepayment by AT&T.</p>	
22	<p>Should BellSouth be allowed to charge AT&T a Multiple Tandem Access charge if BellSouth currently recovers its costs through another Commission approved rate element?</p> <p>(Attachment 2-UNE, Exhibit B)</p>	<p>No. BST's proposed language is inconsistent with sound public policy. BellSouth's proposed rates contain a separate charge to be applied when multiple tandem offices are used for the transport and termination of traffic, called the "Multiple Tandem Access" charge. Upon review of relevant UNE cost studies, AT&T has ascertained that BellSouth, in fact, has already reflected the use of multiple tandem routing for a percentage of calls employing tandem</p>	

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		switching in its cost support for the tandem switching and transport UNE rate elements. Imposition of this charge over and above BellSouth's cost-based transport and termination charges constitutes an over-recovery of these costs. Therefore, BellSouth's MTA should be eliminated.	
23	What are BellSouth's obligations to accurately measure and record traffic usage at a BellSouth Tandem switch before charging for that usage? (Attachment 2-UNE, § 4.3.1.1)	BST has knowingly and wrongfully billed for 100% tandem-routed local calls for well over 2 years. AT&T requests the Commission find that BST be obligated to provide, in a reasonable timeframe, actual recordings of tandem usage. This will alleviate AT&T's concern with BST's current melded tandem factor development, which relies on the potentially inefficient trunk capacity and planning for BST's interoffice network.	
24	Should Collocation Power charges (AC and DC) be based on the amps used by AT&T or based on fused amps installed for AT&T? Under either scenario, what terms and conditions will apply? (Attachment 4-Collocation, § 8.5.2 - 8.6.4)	Cost-causation, or "amps used" is the appropriate cost-recovery method for AC and DC Collocation Power charges. AT&T proposes specific language to ensure appropriate cost recovery for fused based power charges. In contrast, the existing approach allows BellSouth to over-recover its costs. In its cost studies, BellSouth employed a "usage	

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		<p>basis" to quantify its proposed charges for AT&T's use of AC and the DC power plant. After using a "usage basis" for development of the costs, however, BST inappropriately converts its usage costs to a fuse-based recovery methods. This generates a substantial over-charge to CLECs such as AT&T, particularly where a CLEC connects directly to the BST Power Distribution Board.</p> <p>Under AT&T's proposed approach, already approved by the Florida Commission, AT&T would be given the option of providing BST with AT&T's maximum forecast of power that AT&T wishes to draw at any one time. Under this approach, BST retains the right to audit AT&T's power usage at its own expense. The currently ordered fused-amp rate is factored back to a used-amp-based charge for rate application.</p>	
25	<p>What is the appropriate charge for transport and termination for inter-office calls originated by a carrier that serves the customer using UNE-P?</p> <p>(Attachment 3-Network</p>	<p>For transport and termination of interoffice calls originated by AT&T using UNE-P, BellSouth should be required to charge the lesser of: (1) the Local Switching Rate or (2) where in existence, the reciprocal compensation</p>	

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	Interconnection, Exhibit B)	<p>arrangement between BellSouth and the third-party carrier to whom the call is terminated. This approach ensures that BellSouth does not receive terminating compensation from an originating UNE-P customer that exceeds its cost to transport and terminate that call. This particularly arises when BellSouth charges AT&T for originating and terminating such calls, even if it has a reciprocal compensation arrangement with the third-party carrier. BellSouth should not be permitted to receive such a windfall, because it incurs no payments to the third-party, yet it charges AT&T for the call termination.</p>	
26	<p>How should BST and AT&T compensate each other for calls that originate and terminate in the same LATA, where each party's local calling area is not coterminous with the LATA boundaries?</p> <p>(Attachment 2 – UNE, §§ 4.2.7, 4.2.8 4.2.9 and Attachment 3-Network Interconnection, § 13.2.2, 13.6.2, and 15.1)</p>	<p>AT&T believes that different rates or compensation schemes for local and toll traffic, and /or for voice and data traffic, are not supported by differences in underlying costs of providing these services. Following the principle of "like treatment for like traffic," all calls originating and terminating within a LATA should be subject to the same compensation arrangements without regard to end-user classification or type of traffic. Each carrier within the LATA should assume the full TELRIC of transporting</p>	

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		calls originated by their customers to the terminating carrier. IntraLATA toll calls originated by AT&T's customers should not be subject to access payments. BST should route intraLATA toll calls originated by AT&T's customers over their shared transport facilities, so that these calls can be billed in the same manner as the equivalent interswitch local calls.	
27	Should BellSouth be permitted to modify "Call Flow" diagrams that accurately reflect how compensation for the transport and termination of originating and terminating traffic are based subsequent to the execution of the ICA? (Attachment 2-UNE, § 4.3.1.1)	No. BellSouth should not be permitted to unilaterally modify "Call Flow" diagrams after the execution of the ICA. "Call Flow" diagrams are critical to establishing inter-carrier compensation because they identify the applicable elements that form the basis of the compensation. The parties agree upon the elements for inter-carrier compensation at the time of the execution of the ICA, and refer to these diagrams to resolve billing disputes for UNE-P. Thus, the "Call Flow" diagrams should be included as an attachment to the ICA, and any modifications to the "Call Flow" diagrams should be made as an amendment to the ICA. BellSouth should not be allowed to increase inter-	

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		carrier compensation in any manner except by agreed-upon amendment to the ICA.	
28	What is the definition of non-Information Service Provider ("ISP") "Enhanced (Information) Service Provider ("ESP") traffic," and how should it be compensated, if at all? (Attachment 3-Interconnection, § 13.2.3)	Non-ISP ESP traffic should be defined as traffic that is originated by or terminated to an ESP that is located within or has a presence in the same LATA in which the originating (ESP calling party) and terminating (called party) NPA-NXXs are assigned. Transport and termination of such traffic is transport and termination of telecommunications within the meaning of section 251(b)(5) of the Telecommunications Act. Accordingly, the parties should bill each other reciprocal compensation for this type of traffic.	
29	What are the appropriate rates, terms and conditions under which BellSouth can impose the four line limit "carve out" when providing access to unbundled switching to AT&T for those customers with four lines or more in density zone 1 in the top 50 MSAs? (Attachment 2-UNE, §§ 4.2.2 and 5.3.3)	Until the state Commission determines the maximum number of DSOs that CLECs may serve using unbundled local switching and the appropriate rates, term and conditions, status quo must be maintained regarding BellSouth's obligations. In the TRO, the FCC instructed state Commissions to evaluate, as part of their state impairment proceedings, the appropriate line cut-off for a UNE-P carve-out. Recognizing that this cut off	

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		<p>could be different from the four-line carve out established in the UNE Remand Order, the FCC was loathe to eliminate it for a temporary period before a new threshold was established. Thus, it maintained the status quo until the states established the new threshold.</p> <p>FCC determined in its UNE Remand Order that AT&T and other CLECs were not impaired without access to unbundled local circuit switching "when they serve customers with four or more lines in density zone 1 in the top 50 metropolitan statistical areas . . . where incumbent LECs have provided nondiscriminatory, cost-based access to the enhanced extended link (EEL) throughout density zone 1." It is AT&T's position that BellSouth must offer nondiscriminatory, cost-based access to EELS before it can impose the four line limit "carve out" as first established in the FCC's UNE Remand Order.</p> <p>Further, even if BellSouth did provide access to EELs such that it can impose the 4 line limit "carve out", the appropriate rate to charge for the first three lines is TELRIC cost based rates.</p>	

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		<p>The appropriate rate for the lines in excess of three should be "just and reasonable" rates as required by applicable state and federal laws. Additionally, those "just and reasonable" rates should be established by this Commission. It is more appropriate for this Commission to address the rates in a generic proceeding since all CLECs would be affected by such rate determinations. However, in the event the Commission does not establish a generic proceeding, AT&T reserves the right to address this issue in this arbitration proceeding.</p>	
30	<p>Does BST have an obligation under section 251/252 to provide a transit function at TELRIC rates for local traffic originating or terminating to AT&T?</p> <p>(Attachment 3-Network Interconnection, § 13.1, 13.1.2, 13.5.4.2, 13.6.4 and 17.7)</p>	<p>Yes. AT&T proposes existing ICA language which requires BellSouth to provide the transit function at TELRIC rates. The provision of both tandem transit capabilities and call termination by ILECs, such as BellSouth and the independent companies, is required by the 1996 Telecommunications Act. Such capabilities should be provided to competitive local exchange companies (CLECs) and CMRS providers at rates that reflect forward-looking costs or TELRIC.</p> <p>More specifically, Section 251(c)(2)(a)</p>	

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		<p>requires ILECs, among other things, to interconnect with requesting carriers for "the transmission and routing of telephone exchange service and exchange access." Nothing in the statute limits this duty solely to exchanging traffic between the incumbent LEC and the requesting carrier. Moreover, § 251(a)(1) provides CLECS the right to interconnect indirectly with the facilities and equipment of other carriers. Properly read together, §§ 251(c)(2)(a) and 251(a)(1) make clear that incumbent LECs must provide tandem transit to CLECs as part of their interconnection obligations.</p>	
31	<p>Is it appropriate for the Commission to consider for inclusion in the ICA in a § 252 arbitration new UNE rates and new collocation fees or should those rates and fees be determined in separate generic proceedings?</p> <p>(Attachment 2-UNE, Exhibit B; Attachment 4-Collocation, § 6.3.1)</p>	<p>It is inappropriate and inefficient for this Commission to consider in the context of individual ICA arbitrations new rates, terms and conditions for collocation. To the extent changes to UNE rates or to collocation rates, terms and conditions will be established, they should be established in a generic docket in which all potentially impacted carriers can participate.</p>	